



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

August 31, 1995

Glen Williams
Manager, Western Slope Operations
Cotter Corporation
P.O. Box 700
Nucla, Colorado 81424

Re: Review of Additional Information & Tentative Approval, Cotter Corporation (Cotter),
Papoose Mine, M/037/084, (ML45609), San Juan County, Utah

Dear Mr. Williams:

The Division has completed its review of the additional information provided in response to our August 2, 1995 letter. We received your response on August 17, 1995. Only one Division comment remains to be resolved and was listed under the heading R647-4-107.5, *Suitable soils removed and stored*. A review of your soil analysis results indicates the soils in the project area are deficient in nitrogen and phosphorous. In order to improve the success of the revegetation treatments, the Division recommends Cotter apply a fertilizer mixture of 40N 60P (40/lbs per acre nitrogen, 60/lbs per acre phosphorous) after final regrading, but before seeding. Please provide us with a written commitment to include this fertilizer treatment into the reclamation plan.

The additional information contained in your latest response satisfies the other permitting concerns raised in our August 2nd review letter. At this time, the Division is prepared to issue Tentative Approval for your Large Mine Operation Notice of Intention. We have prepared a formal Tentative Approval Notice which will be published in the appropriate newspapers, effectively beginning the required 30-day public comment period. Provided there are no substantive comments received during the public comment period, we will then present your form and amount of reclamation surety before the Board of Oil, Gas and Mining seeking their approval. We will need your commitment to include the fertilizer treatment into the reclamation plan before we can grant final approval.

Your latest response indicates a need to begin stripping a one acre area of the proposed expansion in order to meet contractual obligations in a timely manner. It is our understanding that you have posted a \$100,000 bond with the School Institutional Trust Land Administration (SITLA), based upon \$5,000/acre for 20 acres. The Division grants approval



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for the immediate expansion of the disturbed area by one acre provided the following three conditions are satisfied: (1) A reclamation surety acceptable to SITLA has been posted covering reclamation costs of a minimum of six acres of disturbance; (2) Cotter has received approval from SITLA allowing the one acre expansion, and (3) Cotter will not expand the disturbed area beyond a total of six acres prior to receiving final approval from the Division.

The Division has calculated a reclamation surety estimate for the entire 20 acre proposal. A copy of the Division estimate is attached. The amount of reclamation surety required by the Division in terms of the year 2000 dollars is \$47,600. The surety amount posted with SITLA exceeds the Division's reclamation estimate. The Division will recognize SITLA's surety, and unless our Board disagrees, a separate reclamation surety will not be required. We will require that SITLA retain \$47,600 of the surety until they receive written notification from this office that final reclamation standards have been achieved at the site.

The Division received your completed Reclamation Contract form and a copy of the \$100,000 surety rider today. The Board must approve of the form and amount of surety before the Division can issue its final approval of the project. The next Board Hearing which most closely coincides with the end of the 30-day public comment period is scheduled for September 25, 1995. We will proceed to schedule this matter for the Board's September briefing agenda.

Thank you for your prompt response to our review comments. If you have any questions regarding this letter or the next steps in the approval process please feel free to contact me or Tony Gallegos of the Minerals Staff.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Attachment: Division reclamation estimate
cc: Will Stokes, SITLA w/attachment
Lowell Braxton, Associate Director, DOGM
M37-84TA.LET

\$2,380